

Exhibit 2: Art Class Fee Comparative Research

Organization (Non-Profit unless marked otherwise)	Range of Class Fees	Per Hour Charge for Instruction	Direct Cost Recovery Goal (Percent)	Included in Direct Costs	Non- Citizen or Member Charge	2004 Median Effective Buying Income (EBI)	Capacity (Students per year)	Percent of Class Offerings in the Arts (%)
Chandler		\$1.16-2.63	Not provided	Not available	\$0	\$52,246	1,800- 2,000	
City of Tempe	\$20-68 PA \$25-150 VA	\$1.72-3.33	100	A) Direct costs, and B) Small percent of administrative costs	\$0	\$38,070	1,800	.04
Mesa Arts Center, Mesa	\$18-225 PA \$11-225 VA ¹	\$3.43-11.17 PA \$3.58-6.21 VA	43% PA 49% VA	A) Instructor B) Printing C) Materials and supplies D) Non-cap Total Cost	\$0	\$39,806	8,100	100
Mesa Community College (credit classes)	\$165 VA/PA \$240 (non- resident)	\$3.44 resident \$5.00 non- resident	25	Total Cost	\$1.56/hour	\$39,806	6,000	100
Glendale Parks and Recreation	\$55-95 VA \$47-110 PA	\$3.75	100	Direct cost of instructors, supplies	20% more for non- residents	\$40,939	4,000 (Adults and Children)	12
Phoenix Center for the Arts	\$30-180 VA \$19-95 PA	\$3.80	27	Total Costs	\$0	\$37,512	1,200	100
Mesa Community College (noncredit classes)	\$21-97 VA \$51-275 PA	\$3.88-7.00	100	All direct costs exclusive of buildings and equipment	\$0	\$39,806	3,400 per session*	.5
Fiber Factory, Mesa (for profit)	\$56 VA only	\$7	100	Information not provided	\$0	\$39,806	1,200	100
Shemer Art Center, Phoenix	\$165-225 VA only	\$7.50	27	A) 90% of instructor costs, and B) Small percentage of administrative costs	\$0	\$37,512	1,400	100
Metals Edge Studio, Scottsdale (for profit)	\$235-335 VA only	\$9-14	Not provided	Not provided	\$0	\$50,703	50	100
Scottsdale Artist School (for profit)	\$450-525 VA only	\$11	100	Not provided	\$0	\$50,703	3,850	100

neighboring cities and facilities—to successfully position Mesa Arts Center classes. Staff would like to continue to gradually increase fees with a goal of maximizing cost recovery, to maintain the arts classes' competitive edge and assure continued revenue growth over the long term.

Summer 2005 class fees were increased 25% resulting in 49% and 43% recovery rates, respectively, for adult visual and performing arts classes. These recovery rates are based on direct costs of instructor pay, printing of the Art Studios class schedule, and materials, supplies and non-capital studio equipment.

Pursuant to Council's direction to research recovering an increased percentage of direct costs for adult classes, staff calculated class fees at 60%, 80%, and 100% recovery rates for a typical Mesa Arts Center visual and performing arts class (Exhibit 1). The increased class fees are higher than the arts competition and disproportionate to rates charged by communities with similar EBI's.

Exhibit 1. Cost Recovery and Corresponding Class Fees

Description	Current Fee at 48 and 43% Recovery	Class Fee at 60% Recovery	Class Fee at 80% Recovery	Class Fee at 100% Recovery
Visual Arts-13 week adult class	\$140	\$177	\$236	\$296
Performing Arts-13 week adult class	\$67	\$74	\$99	\$123

Research was also done to determine whether or not other Valley cities charge a non-resident fee, and only a couple of the cities surveyed do. Because we would find ourselves outside the mainstream to charge a non-resident fee at this time, staff would prefer to revisit this issue once we have two years' data on students' residency.

Recommendation

Staff is recommending that fees for adult visual and performing arts classes remain at current levels of cost recovery for FY 2005-06, and that in FY 2006-07 and beyond class fees be increased to maximize cost recovery based on what the market will bear, and that City Council support the request of the Museum and Cultural Advisory Board (see Concurrence below) to follow the traditional process for determining future increases for visual and performing arts classes. Staff is recommending that a nonresident fee not be instituted at this time.

Additionally, staff is recommending establishing a maximum fee of \$1,000 to register for intensive arts workshops and symposia in both visual and performing arts programs. Previously, such workshops were offered through the Mesa Arts Center Foundation, but now all related expenses and revenues will be included in the Mesa Arts Center's annual budget.